



Income Tax Department

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H.B. 5 - PENALTY AND INTEREST

- Unpaid Municipal Income Tax – Penalty
 - A penalty may be imposed on unpaid income tax and unpaid estimated tax equal to fifteen percent (15%) of the amount not timely paid.
 - A penalty may be imposed on unpaid withholding tax equal to fifty percent (50%) of the amount not timely paid.
- Unpaid Municipal Income Tax – Interest
 - Ohio Revised Code 718.27 requires the Tax Administrator to publish, by October 31st, the established interest rate for tax underpayments based on the federal short-term rate that will apply during the next calendar year. Interest shall be imposed per annum, on all unpaid income tax, unpaid or under paid estimated income tax and unpaid withholding tax.

The interest rate used shall be the federal short-term rate (rounded to the nearest whole number percent) plus five percent (5%). The rate shall apply for the calendar year next following the July of the year in which the federal short-term rate is determined.

Note: Interest applies to any balance of tax due that is not paid by the due date of a return, even if the return is filed under extension.

➤ For calendar year 2016, the interest rate will be 5% per annum or .42% monthly.

- Late Filing Fee
 - With respect to returns other than estimated income tax returns, the Municipality shall impose a monthly penalty of twenty-five dollars for each failure to timely file each return, regardless of the liability shown thereon for each month, or any fraction thereof, during which the return remains unfiled regardless of the liability shown thereon. The penalty shall not exceed a total of one hundred fifty dollars in assessed penalty for each failure to timely file a return.
- Criminal Penalties
 - In addition to the penalties above, the Ohio Revised Code section 718.99 also provides criminal penalties for failure to comply with the income tax code. Each offense can carry a fine of up to one thousand dollars and imprisonment of up to six months.
- Charge for Dishonored Remittance
 - There will be a thirty dollar (\$30.00) charge to anyone who provides a remittance that is subsequently dishonored by the bank upon which it is drawn.